



## FISCAL MEMORANDUM

### HB 2149 - SB 2402

February 19, 2022

**SUMMARY OF BILL AS AMENDED (013780):** Transfers the authority and maintenance of Carroll County 1,000 Acre Lake (Lake) from the Carroll County Watershed Authority (Authority) to the Tennessee Wildlife Resources Agency (TWRA) in order to establish a partnership between the state and private, non-profit corporations for the purpose of implementing the expeditious acquisition of interests in lands at the Lake.

Requires the executive director (Director) of the TWRA to identify appropriate private, non-profit corporations to assist with the acquisition of interests in lands at the Lake. Upon approval by the commissioner of the Department of Finance and Administration (F&A) and the State Building Commission (SBC), the Director may:

- Enter into agreements with private, non-profit corporations for various purchases required for the acquisition of interests in lands at the Lake;
- Enter into agreements with non-profit corporations to acquire options and pre-acquire on behalf of the state interests in lands at the Lake; and
- Acquire conservation easements from non-profit corporations whereby the corporations may retain the fee title.

Authorizes the Director to commit the state to reimburse non-profit corporations for their costs of acquisition and for their costs of capital. Requires the commissioner of F&A and the SBC to establish a form for agreements the Director is authorized to make.

### FISCAL IMPACT OF BILL AS AMENDED:

**Other Fiscal Impact – The extent and timing of any increase to expenditures as a result of contracts with private non-profit corporations, the services provided, the charge for such services, the cost of any conservation easement, and the amount of any reimbursement to a private non-profit corporation, cannot reasonably be determined.**

**The extent of any shift of revenue from the Carrol County Watershed Authority to the Tennessee Wildlife Resources Agency cannot be determined. The net impact to revenue is estimated to be not significant.**

**The Governor's proposed budget for FY22-23, on page B-28, recognizes a one-time appropriation from the General Fund of \$11,000,000 for administration legislation relative to the Carroll County Watershed Authority.**

Assumptions for the bill as amended:

- It is estimated that requiring the Director to identify appropriate non-profits and authorizing the Director to enter into agreements with and acquire conservation easements from such non-profits can be accomplished utilizing existing resources and therefore, no significant impact to state government.
- Such agreements and acquisitions will result in an increase in state expenditures; due to unknown variables such as which non-profit corporations the Director will contract with, the services a non-profit will provide, the charge for such services, the cost of any conservation easement, and the amount of any reimbursement to a non-profit, the extent and timing of any increase in state expenditures cannot reasonably be determined.
- Tennessee Code Annotated § 4-15-102 authorizes the SBC to approve and supervise any improvement to or contract for the improvement of real property in which the state or any of its departments, institutions or agencies has an interest.
- Requiring the SBC to approve agreements entered into by the Director is consistent with other statutory duties of the SBC; therefore, any impact to state is estimated to be not significant.
- Pursuant to Tenn. Code Ann. § 4-15-101, the SBC is composed of seven members, including the commissioner of F&A.
- Requiring the commissioner of F&A and the SBC to approve certain Director actions and to establish a form for agreements the Director may enter into is not expected to have a significant impact to state government.
- The proposed legislation should not cause a need in reduction to Authority staff as the Authority has other responsibilities.
- Due to the proposed legislation, there will be a shift in funding resulting from a decrease in fee revenue to the Authority and a corresponding increase in revenue to the TWRA. An exact shift in funding cannot be determined, but the net impact to revenue is estimated to be not significant.
- The Governor's proposed budget for FY22-23, on page B-28, includes a one-time appropriation of \$11,000,000 for administration legislation relative to the Authority.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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